



Montana

Department of Labor and Industry

Commissioner's Office

Contact: Michelle Robinson, Communications Director

TELEPHONE: (406)444-1520

Tonya McCormack, Bureau Chief Labor Standards

TELEPHONE: (406) 444-1376

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FOR IMMEDIATE RELEASE

**LABOR COMMISSIONER ANNOUNCES 10-CENT COST OF LIVING  
INCREASE FOR MONTANA'S MINIMUM WAGE WORKERS**

Helena --- Montana Labor Commissioner Keith Kelly today announced a 10-cent-per-hour, cost of living increase pursuant to Initiative 151. Effective January 1, 2008 the Montana minimum wage will increase to \$6.25.

“More than 70% of Montana voters supported raising Montana’s minimum wage by \$1 for 25,000 of their neighbors,” said Kelly. “As our cost of living adjusts so must our commitment to our least paid workers.”

The current 2007 minimum wage rate is \$6.15. Based on an increase in the Consumer Price Index (CPI) of 1.97% from August, 2006 to August, 2007, the calculation used for determining the minimum wage rate for 2008 is as follows:

$$\$6.15 \times .0197 = \$.1211, \text{ rounded to } \$0.10$$

I-151 requires an adjustment to the minimum wage to be calculated no later than September 30 of each year based upon any increase in the U.S. City Average CPI for All Urban Consumers for All Items from August of the preceding year to August of the year in which the calculation is made. This amount is to be rounded to the nearest five cents.

*(more)*

Despite Montana's planned increase, tight labor market and demand for entry level workers, Kelly said low-wage workers are still playing catch up. Average annual wage in Montana is \$30,607.

"We have outpaced the nation in wage growth, maintained historic low levels of unemployment and increased the number of jobs to record levels," Kelly said. "But, we've got more work to do to provide a living wage for many of our residents."

The United States Bureau of Labor Statistics publishes the CPI, a measure of the average change in prices over time on a fixed market basket, such as food, shelter, medical care, transportation fares and other goods and services people purchase for day to day living.

"It's important to remember that literally every dime of these low wage workers' pay goes directly back into Montana's local communities," he said. "They're not taking fancy vacations - they're paying bills."

The initiative also states the minimum wage to be the greater of the federal or current state minimum wage. Effective July 24, 2008, the minimum wage will increase to \$6.55 per hour, based on the federal minimum wage increase.

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